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August 9, 2010

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Mr. Matthew Wallen  
Director  
Office of Public Assistance,  
Governmental Affairs and Compliance  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423-0001

Re: TTX Company Finance Docket No. 27590

Dear Mr. Wallen:

I enclose for filing in the above-captioned docket, the following Supplement, which was recently approved by the TTX Company Board of Directors:

F.D. 27590: TTX Form A Car Contract: Supplement 216 provides for Entitlement by length, effective August 16, 2010 through March 31, 2011.

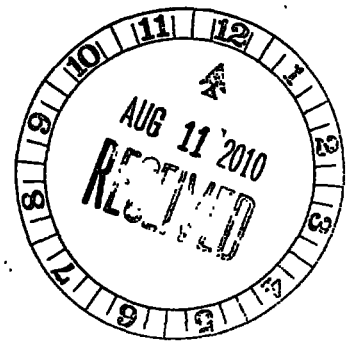
An acknowledgment copy of this letter with the above mentioned Supplement has been enclosed. Please stamp the acknowledgment copy with the filing date and return it to the messenger.

Very truly yours,

A handwritten signature in black ink, appearing to read "Anne E. Treadway".

Anne E. Treadway  
Assistant General Counsel

Enclosures



**SUPPLEMENT NO. 216**  
**To**  
**TTX COMPANY FORM A CAR CONTRACT**  
**SUPERSEDING SUPPLEMENT NO. 196**  
**(Effective August 16, 2010 to March 31, 2011)**

Pursuant to action taken by the TTX Board of Directors on August 4, 2010 this Supplement No. 216 to the Form A Car Contract supersedes Supplement No. 196, effective August 16, 2010.

This methodology divides double-stacks into two unique Fleet Segments, DTTX 40' and DTTX 53', from a single generic category. Conventional equipment would remain unaffected and all platform lengths would continue to be re-distributed under the current Fleet Segment of just "Conventional".

For the purposes of this Supplement, any double-stack well length less than 53' will fall within the DTTX 40' Fleet Segment, and any double-stack well length greater than or equal to 53' will fall within the DTTX 53' Fleet Segment. Each Carrier's Entitlement to double-stack equipment will be converted from a single figure into two separate figures, one for the 40' Fleet Segment and one for the 53' Fleet Segment. For Conventional equipment, each Carrier will retain a single Entitlement. The method of calculating monthly Entitlement will remain unchanged, but it will now be performed twice for double-stacks to determine a separate Entitlement for the 40' and 53' Fleet Segments for each Carrier.

**Entitlement**

Entitlement is the Carrier's share of distributable TTX Intermodal equipment by Fleet Segment: DTTX 40', DTTX 53', and Conventional. Entitlement may be stated as a percent of the total Fleet Segment, which is calculated monthly, or as a number of Platforms, calculated weekly. Entitlement expressed in platforms is adjusted for the available distributable fleet size. Each Carrier has a right and an obligation to possess a number of platforms at least equal to its Entitlement when deficit to its Entitlement,

consequently, Entitlement is also referred to as “Requirement”. The intent of this Supplement is to allow for the preservation of Entitlement in Shortage Periods, provide a means for Entitlement to shift in Surplus Periods based on relative fleet use, and fulfill Carrier’s requests for Entitlement changes whenever possible.

Calculation:

- 1) Entitlement is calculated monthly as a percent of the three separate Fleet Segments, DTTX 40’, DTTX 53’, and Conventional.
- 2) Each month, Carriers will submit their preferred Entitlement changes in Platforms for each Fleet Segment, or state a preference for maintaining Entitlements at their existing Platform levels. TTX Company will satisfy Carriers requests to the extent that railcar supply and these rules allow.
- 3) If no Carriers request an increase in Entitlement through their monthly submission, then Entitlement percentages will not change.
- 4) The Entitlement calculation will conform to the following hierarchy. Refer to Exhibit A for examples.
  - a. Phase-In – If an Involuntary reallocation occurred in previous months, the results from prior months are “phased-in” using a 3-2-1 weighting.
  - b. Preferential – After Phase-In, Carriers with a positive adjustment that are requesting an increase in Entitlement will gain from Carriers that submitted a request to decrease Entitlement.
  - c. Voluntary Reallocation – After Phase-In and Preferential, Carriers requesting an increase in Entitlement swap Entitlement from Carriers seeking decrease requests, up to the requested amounts.
  - d. Involuntary Reallocation – If requests to increase Entitlement remain unfulfilled after all prior steps, Carriers with a positive adjustment (detailed in section 5 below) that request an increase will gain Entitlement from Carriers with a negative adjustment using a 3-2-1 weighting.
    - For 3-2-1 weighting, the most recent month is weighted by a factor of three (3), the previous month, two (2), and the oldest, one (1). In

other words, a factor of (3) = 50% or  $3/(3+2+1)$ ; a factor of (2) = 33% or  $2/(3+2+1)$ ; a factor of (1) = 17% or  $1/(3+2+1)$ .

5) The following Entitlement adjustments will be calculated depending on the period:

a. For a Shortage Period:

- Idle Adjustment – the average of the weekly deviation of the Carriers proportionate share of idle Platforms from the industry total, positive or negative.
- Ordering Adjustment – the average of the Carriers proportional share of available Platforms not ordered in the weekly redistribution process, positive or negative.

b. For a Soft Shortage Period characterized by unordered available Platforms, the Idle and Ordering Adjustments are suspended.

c. For a Soft Shortage Period defined by the “Relative Loading Indicator”, a measure of actual weekly loadings compared to the trend in weekly loadings for the past year, the Idle and Ordering Adjustments are also suspended or reduced as follows:

Relative Loading Indicator	Effect On Adjustments
Less than .95	0%
.95 to less than 1.0	50%
1.0 and above	100%

d. For a Surplus Period:

- Use Adjustment – the proportionate effect of fleet use as measured by Adjusted Paid Platform Days, positive or negative.

- 6) Notwithstanding the adjustments detailed above, no Carrier's Entitlement will be reduced by more than 50% of its original Entitlement unless that is its expressed goal.
- 7) A Carrier cannot ordinarily gain Entitlement percentage involuntarily. In other words, a percent increase would not customarily be forced upon a Carrier unless they are requesting an increase. In the event of a change in TTX Company flatcar pool membership, Entitlement would be apportioned among the remaining owners based on existing Entitlement.

## **Re-distribution**

### **Common Re-distribution Rules**

Requests for the re-distribution of TTX Intermodal equipment are accomplished via a Penalty, Relocation, or Return Order. Weekly, TTX Company will notify Carriers of the opportunity to submit Orders on each of the three Intermodal fleet segments; DTTX 40', DTTX 53', and Conventional. Carriers have 24 hours from receipt of said notification from TTX to submit requests for eligible Orders, not to be less than the Minimum (see Glossary). Within 24 hours\*\* of receipt of all such eligible Orders, TTX must issue Distribution Instructions (DI). A Carrier has 240 hours from the creation date/time of said DI to deliver TTX serviceable Intermodal platforms in the requested Fleet Segment. In order to effectively administer the re-distribution process, all pertinent Intermodal railcar/container EDI messages must be provided to TTX Company from all Carriers.

A Carrier's eligibility to request an Order is outlined in the following matrix:

When a Penalty Order may be requested		
	Deficit Entitlement	Excess Entitlement
Shortage Period	Yes	No
Surplus Period	Yes*	Yes*

When a Relocation or Return Order may be requested		
	Deficit Entitlement	Excess Entitlement
Shortage Period	No	Yes
Surplus Period	No	Yes

\* If equipment is on relief, Carriers who ordinarily could not place a Penalty Order can do so in this instance if they do not have equipment that is Surplus or on relief in the same Fleet Segment.

\*\* Excluding Saturday, Sunday, and TTX Company observed holidays.

Carrier and TTX Company recognize that their interests, as well as the interests of the shipping public, are best served by the efficient utilization of the intermodal fleet.

Accordingly, and notwithstanding the foregoing provisions, Carrier and TTX Company agree to use their best efforts to effect the prompt redistribution of Non-Surplus intermodal railcars whenever such redistribution is warranted by rapid changes in market conditions or traffic flows resulting in sudden shifts in equipment demand among Carriers.

Auxiliary details governing the administration of each order type are described in the following sections.

## Auxiliary Re-distribution Rules by Order/DI Type

### A. Penalty Orders/DI

- 1) Penalty DI must only be filled with empty serviceable TTX Company Intermodal equipment from the Fleet Segment specified, either DTTX 40', DTTX 53', or Conventional.
- 2) If no TTX Intermodal equipment within a Fleet Segment is Surplus or on relief on any Carrier, a Penalty Order may only be requested when a Carrier is Deficit to its Entitlement.
- 3) In the event that Deficit Carriers fail to order all platforms on relief, such unclaimed platforms will be equitably apportioned among those non-Surplus Carriers seeking the unclaimed platforms based on their respective Entitlement Percentage (see example in Exhibit B).
- 4) If TTX Intermodal equipment within a Fleet Segment is on relief, any Non-Surplus Carrier for that Fleet Segment may request that TTX Company issue a Penalty DI to have platforms delivered to it from Surplus Carriers, up to the number of platforms on relief for that Fleet Segment. This may be done even if the delivery of the ordered equipment will result in the requesting Carrier being Excess their Entitlement. Within 24 hours\*\* of receipt of such requests, TTX Company shall issue a Penalty DI to Surplus Carrier(s).
- 5) Upon receipt of Penalty DI as set forth in subparagraph 4 above, a Surplus Carrier may within 24 hours\*\* elect to advise TTX Company that such DI is not acceptable and that all platforms on-line presently on relief for that Fleet Segment were returned back on car hire effective with the date/time of the Penalty DI. No equipment within the Fleet Segment specified in the Penalty DI may be offered for or placed on relief by the Surplus Carrier for 240 hours from the effective date/time of the Penalty DI.
- 6) Platforms on relief used to fulfill Penalty DI as set forth in subparagraph 4 above shall go back on car hire from the effective date/time of the Penalty DI. TTX Company's IMR payment shall be due Surplus Carrier for this movement.

- 7) Active Penalty DI will be cancelled if a Deficit or Non-Surplus Carrier seeks per diem relief on equipment for the Fleet Segment specified in the Penalty DI.
- 8) A Surplus Carrier may request a Penalty Order for a specific Fleet Segment only after placing all platforms on-line presently on relief for that Fleet Segment back on car-hire (see above Order Matrix).

**B. Relocation Orders/DI**

- 1) Relocation DI can only be filled with empty serviceable TTX Company Intermodal equipment from the Fleet Segment the Carrier is Excess.
- 2) Deficit Carriers, when obligated by Excess Carriers' requests, will furnish the interchange points for the Excess platforms within the 24 hours\*\* TTX Company is allowed to provide Excess Carriers disposition.
- 3) Unless otherwise specifically requested, a Deficit Carrier cannot receive a combination of platforms on both Relocation and Penalty Orders within a single distribution cycle such that the Deficit Carrier would be Excess its Entitlement.
- 4) If a Relocation Order is requested, a Carrier cannot also request a Penalty Order within the same distribution cycle on the same Fleet Segment defined in the Relocation Order.
- 5) In the event that TTX Company fails to provide Excess Carrier with DI for Relocation of Excess Platforms, and that failure causes Carrier to continue to have on line such Platforms in excess of its Requirement as calculated herein, Excess Carrier may invoice TTX Company's Intermodal Distribution Services Department monthly in an amount specified from time to time by TTX Company's Board of Directors for each serviceable Platform for which disposition was requested and not furnished as provided herein.
- 6) Platforms on relief used to fulfill Relocation DI shall go back on car hire from the effective date/time of the Relocation DI. TTX Company's IMR payment shall be due Surplus Carrier for this movement, subject to a minimum of 150 miles per car.

**C. Return Orders (for Double-stacks only)**



Return Orders are an available option to a Carrier (e.g. Carrier "A") that is Excess its Entitlement to return a proportionally equivalent number of empty serviceable platforms from a TTX double-stack Fleet Segment to another Carrier ("B") when Carrier B's relative loading metric (measured by Space Utilization "SU") on previously interchanged loads with Carrier A fell below Carrier A's SU.

SU, expressed as a percentage, is the relationship (ratio) between total container length loaded by the originating Carrier on any North American double-stack versus the available platform space for that double-stack. As an example, two 40' containers loaded in a 40' or 48' well equals 100% SU; two 40' containers loaded in a 53' well equals 75% SU (80/106); two 48' containers loaded in a 53' well equals 91% SU (96/106); a single 40' container loaded in a 40' or 48' well equals 50% SU; a single 40' container loaded in a 53' well equals 38% SU (40/106); and a single 48' container loaded in a 53' well equals 45% SU (48/106).

Return Order qualification and administration:

- 1) Only an Excess Carrier with a higher relative SU on loads previously interchanged between its interchange partners can request a Return Order per qualifying period.
- 2) SU is calculated on any loaded North American double-stack interchanged between two (2) Carriers for each double-stack Fleet Segment.
- 3) SU is not calculated on single-line moves.
- 4) SU cannot exceed 100% if a container longer than 40' is loaded in the upper position of a 40' well.
- 5) SU is calculated twice per month using the previous two week's worth of data.
- 6) A Carrier has 24 hours\*\* from the time qualifying SU's are made available to request its Return Order before eligibility expires for that Distribution Cycle.
- 7) A Carrier has 240 hours from the creation date/time of a Return DI to deliver eligible platforms.
- 8) The number of platforms eligible to be returned is the lower of the relative SU Plat Calculation (see column i, Exhibit C) versus the amount a Carrier is Excess for that Fleet Segment. In other words, platforms returned under this provision

cannot cause the Carrier requesting the Return Order to be below its Entitlement (see example #3 in Exhibit C).

- 9) The Carrier obliged to receive the delivery must be provided at least a 24 hour advance notice by the delivering Carrier of the arrival of the equipment in order to accept the Return in a timely fashion.
- 10) Return Orders are not applicable to Conventional Intermodal equipment, do not accumulate if unused, cannot be passed or extended to another Carrier(s), and only one Return Order between Carrier pairs per Fleet Segment may be requested in a single Distribution Cycle.
- 11) If a Return Order is requested, an Excess Carrier cannot also request a Penalty or Relocation Order within the same distribution cycle on the same Fleet Segment defined in the Return Order.

Exhibit C illustrates several examples of how a Return Order would be employed as well as how the number of double-stack platforms eligible to be returned would be determined.

\*\* Excluding Saturday, Sunday, and TTX Company observed holidays.

### **Determining Interchange Locations**

A Carrier's eligibility to select interchange locations in fulfillment of a Penalty, Relocation, or Return Order is outlined in the following matrix:

**Carrier Location Selection Matrix**

	Penalty & Return Order	Relocation Order
Delivering Carrier	Yes (Note 1)	No
Receiving Carrier	No	Yes (Note 2)

**Notes:**

- 1) For a Penalty Order, up to eight valid, published interchange location(s), and the amount per interchange, not to be less than the Minimum. For a Return Order, up to three valid, published interchange location(s), and the amount per interchange, not to be less than the Minimum.
- 2) For a Relocation Order, up to eight valid, published interchange location(s), and the amount per interchange, not to be less than the Minimum.

If a receiving Carrier on a Relocation Order has not provided interchange locations within a 24 hour timeframe, the interchange location(s) will default to the last location(s) used between those Carrier pairs and the amount per location will be divided as evenly as possible by TTX Company, not to be less than the Minimum.

When locations are provided on a Relocation Order, it is with the understanding the receiving Carrier is prepared to accept deliveries from the time the Relocation DI is created until its expiration. If a receiving Carrier chooses to accept extra platforms delivered at a location beyond the specified amount, it has the option to apply those extra platforms to another existing DI location.

If any active order type, whether Penalty, Relocation, or Return, exists between Carrier pairs for both the 40' and 53' double-stack Fleet Segments at the same interchange location, it is permissible for the delivering Carrier to fill that order(s) with a mixed-train(s) of double-stacks from both Fleet Segments.

#### **Use of an Intermediate Carrier**

In the event no direct connection exists between Carriers supplying and receiving railcars, and TTX Company must issue a DI that requires use of an Intermediate Carrier, such Intermediate Carrier shall be selected by TTX Company based on an efficient route.

- 1) Within 168 hours of receipt of railcars so directed on a Penalty DI, the Intermediate Carrier must deliver the railcars to an interchange point with specified connecting Carrier, or alternately, substitute a like number of railcars from the same Fleet Segment, notifying TTX Company of the car initials and numbers of such substituted railcars.

- 2) Intermediate Carrier shall be responsible for the payment of car hire for railcars it moves under this clause and for the conditions of non-compliance as set forth in the "Compliance with a DI" section below. TTX Company's IMR payment shall be due Intermediate Carrier for this movement subject to a minimum of 75 miles per car. If intermediate carrier substitutes cars as provided, no IMR shall be due Intermediate Carrier for either the directed or substituted cars.

**Compliance with a DI**

- 1) Carrier shall accept, forward, receive, and move in interchange, free of any charge to TTX Company or others executing this Supplement, all railcars being re-distributed in accordance with a DI issued by TTX Company.
- 2) Carrier's failure to comply with a Penalty DI in the allotted time frame may result in Carrier's payment of a penalty, as outlined in Sections 3 & 4 below, to the injured Deficit or Non-Surplus Carrier. Furthermore, if the Carrier failing to comply has equipment on relief belonging to the Fleet Segment described in the Penalty DI, an equivalent number of platforms on said Carrier, to be identified by TTX Company, will be placed back on car hire until such time they are returned to active transportation service; i.e. no longer idle. Failure to comply includes delivering anything less than the total number of platforms for the Fleet Segment specified in the Penalty DI.

Carrier's failing to comply as a result of a properly documented event of force majeure will be exempt from the above provisions. Such events include Acts of God, strikes, authority of law, adverse weather necessitating suspension of operation on a line, impassable track, fire, explosion, embargo, war, insurrection, threatened or actual act of terrorism, or other conditions beyond the Carrier's reasonable control preventing compliance.

- 3) In the case where a Surplus or Excess Carrier has failed to fulfill a Penalty DI to a Non-Surplus or Deficit Carrier:

- a. The injured Carrier must advise TTX Company by the third business day following the Last Voluntary Date if it would like to impose the penalty payment. The injured Carrier always maintains the right to waive penalty assessments.
  - b. TTX Company will make a formal inquiry to determine (a) whether there was a failure to comply, and (b) whether any mitigating factors (as set forth in bullet 2 above) apply.
  - c. Upon request, the non-complying Carrier has five (5) business days to respond with evidence of compliance including car numbers, interchange date, time, and place of delivery, or evidence of a mitigating factor(s).
  - d. TTX Company will issue its determination within 30 days from the relevant Last Voluntary Date, during which time it will attempt to seek a negotiated settlement. If the matter is not settled at the end of this period, TTX Company will either issue a penalty bill or determine that the mitigating factors call for relief.
  - e. In the event TTX Company determines a penalty is due, it shall issue an invoice, which shall be payable upon receipt to the injured Carrier. Carriers not remitting amounts due under penalty bills will have the outstanding amounts added to their next monthly car hire bill (unless arbitration has been sought).
  - f. If the injured or non-complying Carrier disagrees with the response by TTX Company, said Carrier may, within 30 days of TTX's determination, seek arbitration of the matter (as set forth below) before the TTX Intermodal Advisory Committee.
- 4) In the event TTX Company determines a penalty is due, it shall issue an invoice which shall be payable upon receipt. The amount for failure to comply with a

Penalty DI shall be \$100 per platform according to the following scale, where "X" = the penalty amount.

Percent of Platforms Delivered in Compliance with DI	Penalty Per Platform For Each Platform Not Delivered
70% – 99%	X
35% – 69.9%	2 times X
Under 35%	3 times X

- 5) If a Deficit (or Non-Surplus) Carrier refuses to accept in interchange serviceable railcars it ordered from an Excess (or Surplus) Carrier, the Excess Carrier's car management group will contact Deficit Carrier's car management group in an effort to reach a solution. If the Deficit Carrier cannot accept the railcars in 24 hours, or agrees to accept the railcars and then refuses them a second time, the DI and the Excess Carrier's obligation to deliver to the Deficit Carrier will, at the Excess Carrier's discretion, be: a) cancelled entirely; or b) reduced by the number and type of Platforms so refused. In addition, the Excess (or Surplus) Carrier may seek compensation from the Deficit Carrier for the resources spent in attempting to deliver the requested railcars.

#### **Collection of Charges and Arbitration**

When arbitration has been requested, the dispute shall be presented to the TTX Company Director of Intermodal Distribution in written format within 30 days from the date which arbitration was requested. This arbitration clause shall govern only disputes relating to failure to comply with a DI and shall not affect the arbitration remedy provided in the Form A Car Contract for other disputes under the Contract.

The Intermodal Advisory Committee shall act as the arbitration committee. After presentation of the facts, the arbitration committee will hear the arguments of the Carrier charged with non-compliance, the Carrier requesting the penalty assessment, and any other relevant testimony. A majority of the arbitration committee shall constitute a quorum, and a majority vote of those present shall govern.

Members of the arbitration committee involved in or affected by the dispute being considered will be disqualified from the final discussion and voting on the dispute being considered. The arbitration committee, within 30 days after consideration of the dispute, shall render its decision and such decision shall be final. In the event of a tie vote, the penalty will be upheld.

### **Glossary of Terms**

**Carrier** – Railroad signatory to the TTX Form A Car Contract, as supplemented.

**Conventional** – TTX Intermodal railcars other than double-stacks.

**Deficit** – Platforms on-line below, or under, said Carrier's Entitlement.

**Deficit Carrier** – Carrier whose platforms on-line are below, or under, said Carrier's Entitlement.

**Demand** – A Carrier's stated short-term (tactical) need for platforms, which may be above, below, or equal to their Entitlement.

**DI** (Distribution Instructions) – Instructions issued by TTX Company for the movement of a specified number of Platforms per Fleet Segment, including the effective date and time, based on Orders (Penalty, Relocation, etc.) received.

**Distributable Fleet** – Serviceable Platforms considered to be in the possession or control of the Carriers who are signatories to the Form A Car Contract.

**Distribution Cycle** – The period in which the ordering and re-distribution cycle takes place, currently happening once per week.

**Double-stack** – TTX intermodal well cars capable of carrying two (2) stacked containers; i.e. DTTX.

**Entitlement** – Carrier’s share of TTX Intermodal equipment calculated separately for the Fleet Segments of DTTX 40’, DTTX 53’, and Conventional. Entitlement may be stated as a percent of the total fleet, which is calculated monthly, or as a number of Platforms, calculated weekly. Entitlement expressed in platforms is adjusted for the available fleet size. Each Carrier has an obligation to possess a number of platforms at least equal to their Entitlement when deficit to their Entitlement, consequently, it is also referred to as “Requirement”.

**Entitlement Objective (objective)** – A Carrier’s stated long-term (strategic) need for platforms: categorized as either an “Increase”, “Decrease”, or “Maintain” objective.

**Excess** – Platforms on-line above, or over, said Carrier’s Entitlement.

**Excess Carrier** – Carrier whose platforms on-line are above, or over, said Carrier’s Entitlement.

**Fleet Segment** – For double-stacks, a grouping of railcars that share a similar, or near similar, platform length defined as follows: DTTX 40’ includes wells < 53’; DTTX 53’ includes wells ≥ 53’. All Conventional railcars, regardless of platform length, fall within the Conventional grouping.

**Idle** – Railcars or Platforms not in TTX Company authorized shop, not Surplus or on relief, and not showing current movement. Platforms Idle 15 or more days may affect Entitlement.

**IMR** - Incremental Mileage Rate, as defined in Supplement 78 or any successor Supplement.

**Intermediate Carrier** – A Carrier selected by TTX Company for the movement of railcars between Carriers without a common interchange.



Intermodal Railcar – A railcar designed to carry containers and/or trailers bearing the prefixes DTTX, KTTX, NTTX, RTTX, TTAX, TTEX, TTLX, TTOX, TTRX, TTWX, UTTX, WTTX and any successor marks held by TTX Company on railcars for such purpose.

Last Voluntary Date – The last date that a car can be delivered in response to a DI and still be in compliance with the time requirements of this Supplement.

Minimum – The least amount of Platforms that will be issued for a Penalty, Relocation, or Return Order, and the least amount of platforms eligible to be delivered (interchanged) at a single location on an Order. The current Minimum is 20 platforms.

Non-Surplus Carrier – A Carrier having no platforms on-line that are Surplus or on relief.

On Relief (relief) – Railcars in per diem relief status.

Penalty Order – A request initiated by a Deficit (or non-Surplus) Carrier for distributable TTX Intermodal Platforms of a specific Fleet Segment. The Excess (or Surplus) Carrier(s) is obliged to deliver the platforms associated with the resultant DI to the requesting Carrier. The amount ordered can reach a figure necessary for the Deficit Carrier to obtain their Entitlement.

Platform (equipment) – An intermodal railcar, or portion of such railcar, capable of carrying one trailer or container at least forty (40) feet long, or two containers at least twenty (20) feet long.

Platforms On-line – Platforms considered to be in a Carrier's possession or control, which includes: platforms on a Carrier's property; moving on another railroad under a haulage agreement for the benefit of the Carrier; on connecting short-lines and other business partners (e.g. storage location).

**Possession** – Serviceable equipment reported on a Carrier’s property, or deemed to be within said Carrier’s control or influence via, but not limited to, a haulage agreement or delivery to non-Carrier business partner.

**Relocation Order** – A request initiated by an Excess Carrier for distributable TTX Intermodal Platforms of a specific Fleet Segment to be delivered to a Deficit Carrier(s). The Deficit Carrier(s) is obliged to accept the platforms associated with the resultant DI from the requesting Carrier. The amount delivered can reach a figure necessary for the Excess Carrier to obtain its Entitlement but not be deficit to its Entitlement.

**Requirement** – Another term for Entitlement to denote a Carrier’s obligation to possess a number of platforms at least equal to their Entitlement.

**Return Order** – A request initiated by an Excess Carrier (e.g. Carrier “A”) per qualifying period to return a proportionally equivalent number of empty serviceable platforms from a TTX double-stack Fleet Segment to another Carrier (e.g. Carrier “B”) on account of Carrier B’s lower relative Space Utilization (SU) on previously interchanged loads with Carrier “A”.

**Serviceable Platforms** – Platforms other than those as directed by TTX Company to or on-hand at TTX authorized repair shops or facilities. Penalty, Relocation, and Return DI can only be fulfilled with serviceable TTX Company Intermodal platforms.

**Soft Shortage** – Period marked by unordered available Platforms, or below average loadings, but without Surplus equipment or equipment on relief.

**Shortage Period** – Marked by the absence of Surplus railcars or railcars on relief on any Carrier.

**Surplus Carrier** – Carrier with platforms on-line that are Surplus or on relief.

**Surplus** - Railcars offered for per diem relief and within the 5-day notice period prior to their attaining per diem relief status.

Surplus Period – Marked by the presence of Surplus railcars or railcars on relief on any Carrier.

Unclaimed Excess – Platforms not ordered by a Deficit Carrier to which they are otherwise Entitled (Demand < Deficit).

#####

**Supplement 216**  
**Exhibit A**

The process to calculate changes in Entitlement will be performed in the following steps as indicated below:

1) Phase-In. If an Involuntary reallocation occurred in previous months, the results from prior months are "phased-in" using a 3-2-1 weighting. As an example, the following calculations illustrate how Carrier "B" decreased 33 platforms  $(1/6 \times 80) + (2/6 \times 60)$ , and Carrier "C" decreased 10 platforms  $(1/6 \times 20) + (2/6 \times 20)$ , in order for Carrier "A" to increase by 43  $(33 + 10)$ .

	Current Entitlement (expressed as a %)	Expressed in Platforms					
		Request	2nd Prior Month Involuntary Result	Prior Month Involuntary Result	Current Month change in Entitlement		
Carrier A	30%	100	100	80	Increase		43
Carrier B	25%	-100	-80	-60	Decrease		33
Carrier C	45%	100	-20	-20	Decrease		10

2) Preferential. After Phase-In, Carriers with a positive adjustment that are requesting an increase in Entitlement will gain from Carriers that submitted a request to decrease Entitlement. In this example, note how only Carriers "D" and "G" had an increase in Entitlement since only they had positive adjustments, qualifying them to share in Carrier "E's" decrease request. Carrier "D" increase of 80 =  $100 \text{ request} \times ((400 / (400 + 100)) \text{ adjustment})$ . Carrier "G" increase of 20 =  $100 \text{ request} \times ((100 / (400 + 100)) \text{ adjustment})$ .

	Current Entitlement (expressed as a %)	Request	Involuntary Adjustment	Change in Entitlement	
Carrier D	25%	100	400	Increase	80
Carrier E	18%	-100	-150	Decrease	100
Carrier F	22%	100	-350	No change	0
Carrier G	35%	100	100	Increase	20

3) Voluntary Reallocation. After Phase-In and Preferential, Carriers requesting an increase in Entitlement swap Entitlement from Carriers seeking decrease requests, up to the requested amounts. In this example, note how Carriers "I" and "J" had their requests to decrease Entitlement proportionally filled up to Carrier "H's" increase request. Carrier "I" decrease:  $(.36 / (.36 + .42)) \times 100 = 46$ . Carrier "J" decrease:  $(.42 / (.36 + .42)) \times 100 = 54$ .

	Current Entitlement (expressed as a %)	Expressed in Platforms	
		<u>Request</u>	<u>Change in Entitlement</u>
Carrier H	22%	100	Increase 100
Carrier I	36%	-200	Decrease 46
Carrier J	42%	-300	Decrease 54

4) Involuntary Reallocation. If requests to increase Entitlement remain unfulfilled after all prior steps, Carriers with a positive adjustment (detailed in subparagraph 5 of the Entitlement Calculation section) that request an increase will gain Entitlement from Carriers with a negative adjustment using a 3-2-1 weighting. In this example, note how Carriers "K", "L", and "M" requested increases in Entitlement, yet only Carrier "K" received an increase on account of its positive adjustment. Carrier "L" decrease:  $(-150/(-150 + -250)) * (100 * 3/6) = 19$ . Carrier "M" decrease:  $(-250/(-150 + -250)) * (100 * 3/6) = 31$ .

	Current Entitlement (expressed as a %)	<u>Request</u>	Involuntary	<u>Change in Entitlement</u>	
			<u>Adjustment</u>		
Carrier K	45%	100	400	Increase	50
Carrier L	25%	300	-150	Decrease	19
Carrier M	30%	500	-250	Decrease	31

**Supplement 216**  
**Exhibit B**

Division of Platforms on Relief

	<u>Carrier 1</u>	<u>Carrier 2</u>	<u>Carrier 3</u>
a) 40' Platforms On-line	1,000	1,000	500
b) 40' Entitlement (in Plats)	1,200	960	600
c) Over/Under	-200	40	-100
d) Ordered	300	50	0
e) On relief	0	0	300
f) Entitlement % of 40' Fleet	25%	↔ 20%	13%

The remaining 100 platforms on relief (300-200) will be split between Carriers 1 & 2 based on their 40' Entitlement.

Formula:

Step 1)  $40 / 960 = 4.2\%$   
 Step 2)  $4.2\% * 1,200 = 50$   
 Step 3)  $.25 + .20 = .45$   
 Step 4)  $.25 / .45 = 56\%$ ,  $.20 / .45 = 44\%$

Result:

Carrier 1 receives 78 additional platforms ( $50 + (.56 * 50)$ )

Carrier 2 receives 22 platforms ( $.44 * 50$ )

**Supplement 216**  
**Exhibit C**

**Example #1** - Carrier Z is excess 500 platforms to their 53' Entitlement.

	(a)	(b)	(c)		(d)		(e)		(f)		(g)		(h)		(i)	(j)
Road to			Plats inter -		Length of		Plat length		Plat length		Plat length		Plats		SU	
<u>Road</u>	<u>SU</u>	<u>Diff.</u>	<u>changed on</u>		<u>Plat inter -</u>		<u>inter -</u>		<u>utilized</u>		<u>under -</u>		<u>utilized</u>		<u>Plat</u>	<u>Eligible</u>
			<u>Loaded Cars</u>		<u>changed</u>		<u>changed</u>		<u>(e * a)</u>		<u>utilized</u>		<u>(g/d)</u>		<u>(b*c)</u>	<u>to</u>
Z - Y	98%	2%	10,000	x	53	=	530,000	-	519,400	=	10,600		200		400	400
Y - Z	94%	6%	10,000	x	53	=	530,000	-	498,200	=	31,800		600			
		4%														

Note how 400 is the exact difference between the under-utilized platforms (h) delivered between Carriers Y and Z. And since 400 < the 500 Road Z is excess, all 400 are eligible.

**Example #2** - Carrier Z is excess 200 platforms to their 40' Entitlement.

			Plats inter -		Length of		Plat length		Plat length		Plat length		Plats		SU	
Road to			<u>changed on</u>		<u>Plat inter -</u>		<u>inter -</u>		<u>utilized</u>		<u>under -</u>		<u>utilized</u>		<u>Plat</u>	<u>Eligible</u>
<u>Road</u>	<u>SU</u>	<u>Diff.</u>	<u>Loaded Cars</u>		<u>changed</u>		<u>changed</u>		<u>(e * a)</u>		<u>utilized</u>		<u>(g/d)</u>		<u>(b*c)</u>	<u>to</u>
Z - Y	98%	2%	500	x	40	=	20,000	-	19,600	=	400		10		60	60
Y - Z	95%	5%	2,000	x	40	=	80,000	-	76,000	=	4,000		100			
		3%														

Since the SU Plat Calculation of 60 < the 200 Carrier Z is excess, all 60 are eligible.

**Example #3** - Carrier Z is excess 30 platforms to their 53' Entitlement.

Road to			Plats inter -		Length of		Plat length		Plat		Plat		Plats		SU		Eligible
<u>Road</u>	<u>SU</u>	<u>Diff.</u>	<u>Loaded Cars</u>		<u>Plat inter -</u>		<u>inter -</u>		<u>length</u>		<u>length</u>		<u>under -</u>		<u>Plat</u>		<u>to</u>
					<u>changed</u>		<u>changed</u>		<u>utilized</u>		<u>under -</u>		<u>utilized</u>		<u>Calc</u>		<u>Return</u>
									<u>(e * a)</u>		<u>utilized</u>		<u>(g/d)</u>		<u>(b*c)</u>		
Z - Y	98%	2%	4,000	x	53	=	212,000	-	207,760	=	4,240		80		50		30
Y - Z	96%	4%	2,500	x	53	=	132,500	-	127,200	=	5,300		100				

2%

↑

Note how 30 platforms are eligible since that is the lower of the SU Plat Calculation (i) versus how many platforms Carrier Z is excess to their 53' Entitlement (30).

**Example #4** - Carrier Z is excess 100 platforms to their 40' Entitlement.

Road to			Plats inter -					Plat		Plat		Plats	SU		
<u>Road</u>	<u>SU</u>	<u>Diff.</u>	<u>Loaded Cars</u>		<u>Length of</u>	<u>Plat inter -</u>	<u>Plat length</u>	<u>length</u>	<u>length</u>	<u>length</u>	<u>under -</u>	<u>under -</u>	<u>Plat</u>	<u>Eligible</u>	
Z - Y	98%	2%	2,000	x	40	=	80,000	-	78,400	=	1,600	40	20	20	
Y - Z	97%	3%	2,000	x	40	=	80,000	-	77,600	=	2,400	60			

1%

↑

↑

Since the SU Plat Calculation of 20 < the 100 Carrier Z is excess, all 20 are eligible.



**Example #5**

	(a)	(b)	(c)		(d)	(e)	(f)	(g)	(h)	(i)	(j)
Road to			Plats inter -		Length of	Plat length	Plat	Plat	Plats	SU	Eligible
<u>Road</u>	<u>SU</u>	<u>Diff.</u>	<u>changed on</u>		<u>Plat inter -</u>	<u>inter -</u>	<u>length</u>	<u>length</u>	<u>under-</u>	<u>Plat</u>	<u>to</u>
			<u>Loaded Cars</u>		<u>changed</u>	<u>changed</u>	<u>(e * a)</u>	<u>utilized</u>	<u>utilized</u>	<u>Calc</u>	<u>Return</u>
									<u>(g/d)</u>	<u>(b*c)</u>	
Z - Y	98%	2%	5,000	x	53	= 265,000	- 259,700	= 5,300	100	18	0
Y - Z	95%	5%	600	x	53	= 31,800	- 30,210	= 1,590	30		
		3%									

Note how 18 is below the Minimum of 20, therefore no platforms are eligible to be returned.

**Example #6**

			Plats inter -		Length of	Plat length	Plat	Plat	Plats	SU	Eligible
Road to			<u>changed on</u>		<u>Plat inter -</u>	<u>inter -</u>	<u>length</u>	<u>length</u>	<u>under-</u>	<u>Plat</u>	<u>to</u>
<u>Road</u>	<u>SU</u>	<u>Diff.</u>	<u>Loaded Cars</u>		<u>changed</u>	<u>changed</u>	<u>(e * a)</u>	<u>utilized</u>	<u>utilized</u>	<u>Calc</u>	<u>Return</u>
									<u>(g/d)</u>	<u>(b*c)</u>	
Z - Y	97%	3%	500	x	40	= 20,000	- 19,400	= 600	15	15	0
Y - Z	94%	6%	500	x	40	= 20,000	- 18,800	= 1,200	30		
		3%									

Note how 15 is below the Minimum of 20, therefore no platforms are eligible to be returned.